

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

August 29, 1988



ALL COUNTY LETTER NO. 88-109

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY GAIN COORDINATORS

SUBJECT: FUNDING STATUS AND ASSEMBLY BILL (AB) 1819,
CHAPTER 314, STATUTES OF 1988, UPDATE

REFERENCE: ALL-COUNTY LETTERS NO. 88-08, 88-30

This All-County Letter (ACL) is to advise Counties of the status of the Greater Avenues for Independence (GAIN) Program budget and to provide an explanation of the effects of the recently enacted AB 1819 (Chapter 314, Statutes of 1988). Both of these areas relate to ongoing GAIN Counties and Counties that have not yet begun operation.

GAIN BUDGET

The 1988-89 State Budget for GAIN is \$375 million. This is \$32.8 million in General Funds less than was originally proposed in the budget as introduced in February. We have been assessing the impact of this reduction on the statewide operation of the GAIN Program. As you know, the funding restrictions contained in the January version of the State Budget primarily affected those Counties that had very recently or not yet begun operating the GAIN Program. Funding reductions in these Counties now would seriously jeopardize their ability to implement and operate the program. Such reductions would also be contrary to the legislative desire to equalize the statewide GAIN allocation process.

Therefore, the Department has focussed on implementing this reduction in the 18 early operating Counties. We have also reached agreement with Los Angeles County on a reduction to its funding level. Our objectives in the allocation modification process have included:

- o to avoid layoffs at the County level;
- o to allow Counties to honor their commitments to contractors and others;
- o to move towards statewide equity in the allocation process;

- o to continue effective County operations;
- o to preserve the program statewide;
- o to meet statutory start date requirements.

We believe that the methodology which will have the least adverse impact on all affected Counties is as follows:

1. Using the GAIN funding level issued in February 1988 or the current County request (whichever is lower) as a starting point for reductions.
2. Making individual adjustments based on discussions with each County, taking into account anticipated expenditures, prior year expenditures, and other individual County circumstances.
3. Using funds from the State Budget (Section 22, Control section) previously identified for additional Average Daily Attendance to assist in balancing out County budgets (within a \$5 million maximum).
4. Including Los Angeles County in the impacted group.

Those Counties whose allocations differ from their February funding levels are: Kern, Placer, Riverside, San Diego, San Mateo, Santa Barbara, Santa Clara, Stanislaus, Ventura, Yuba, and Los Angeles. All impacted Counties have been notified of their modified funding level.

In light of these funding level reductions, we ask that each impacted County examine its current operation prior to making significant program changes or considering statutory reductions to ascertain where it may be possible to increase administrative and operating efficiencies. Counties should also consider actual expenditures from prior years relative to the amount that was allocated for the program. In addition, Counties should review the flexibility of the three year phase-in option under the provisions of AB 1819 as discussed below.

AB 1819

Assembly Bill 1819, effective July 8, 1988, changes the allowable phase-in period for the GAIN Program from two years to three years. This increases the length of time Counties are allowed to fully implement GAIN and should reduce or eliminate the need to impose statutory reductions this year.

Assembly Bill 1819 also changes the method and order in which Counties that must implement statutory reductions would temporarily exclude individuals from participation in GAIN. These changes must be implemented immediately. Specifically, AB 1819 makes all applicants for Aid to Families with Dependent Children (AFDC) the first two categories to be excluded under a statutory reduction plan. This decreases the need for Counties to interrupt services to persons already participating in the program.

Assembly Bill 1819 also gives higher priority to serving volunteer teen parents in the event of a budget shortfall. Under previous law, volunteer teen parents were included with all other volunteers and were therefore one of the initial groups to be excluded.

Assembly Bill 1819 recognizes that there are differences between fully implemented Counties and those still phasing in their caseloads, providing a specific reduction methodology for each. Assembly Bill 1819 clarifies that the volunteers referred to in the statutory reduction order are those persons who are exempt from registration but who have volunteered to participate in GAIN. With the exception of volunteers and applicants, all excluded persons who express a desire to participate shall be served if their participation does not interrupt services to persons already participating. Previous law did not provide excluded individuals the option to participate during the fiscal year.

Under AB 1819, Counties which are not fully implemented and that have determined that they must implement statutory reductions to stay within their funding level shall initially halt GAIN participant intake as follows:

- A. AFDC Unemployed Parent (AFDC-U) applicants.
- B. AFDC Family Group (AFDC-FG) applicants.
- C. AFDC-U/FG volunteer registrants except teen parents.
- D. AFDC-U recipients on aid for less than one year.
- E. AFDC-U recipients on aid for less than two years.
- F. AFDC-FG recipients on aid for less than one year.
- G. AFDC-FG recipients on aid for less than two years.

H. Volunteer teen parents.

I. All remaining AFDC recipients, with recipients who have been on aid the longest being the last to be excluded.

Counties which have fully phased-in their participant caseload and that must implement statutory reductions in order to stay within their funding level shall initially halt intake as follows:

A. AFDC-U applicants.

B. AFDC-FG applicants.

C. AFDC-U/FG volunteer registrants except teen parents.

D. Exempt recipients who lose their exemption status.

E. Deferred recipients who lose their deferral status.

When the above reductions are insufficient for any County (whether in phase-in or fully phased-in), the County will remove GAIN participants in the following order:

A. All volunteers, except teen parents.

B. AFDC-U recipients on aid for less than one year.

C. AFDC-U recipients on aid for less than two years.

D. AFDC-FG recipients on aid for less than one year.

E. AFDC-FG recipients on aid for less than two years.

F. Volunteer teen parents.

G. All remaining AFDC recipients, with recipients who have been on aid the longest being the last to be excluded.

Specific instructions for reporting and registrant notification procedures related to statutory reductions will be transmitted as soon as possible. A copy of the bill is attached. Although emergency regulations will be issued as soon as possible, Counties must take action to implement the new law immediately.

COUNTY PLANNING

We strongly encourage all Counties in the implementation and/or planning stages to review their phase-in plans to determine how

the three year phase-in option will affect the cases they will serve. To the extent that implementing Counties choose to develop a three year phase-in plan that reduces the number of cases the County plans to serve, thus decreasing the County's budget needs in FY 1988-89, the fiscal impact of the reductions indicated in the State GAIN budget will be lessened on the other Counties. However, no new budget will need to be submitted to SDSS unless the County plans to serve fewer cases in the budget year. In that case, you should contact your County's SDSS GAIN Operations analyst to discuss the revised caseload prior to submitting any budget modifications.

Those Counties choosing to utilize the three year phase-in option are advised that Welfare & Institutions Code Section 11320.21 (d)(2C) states: "No phase-in plan shall be approved which is likely to result in the subsequent removal of a disproportionate number of active participants from the program if reductions are implemented pursuant to paragraphs (3) & (4)." This indicates that the participant caseload should not be modified in such a way that, when the County is fully implemented, major changes to caseload size or program operations will need to be made in the event statutory reductions become necessary. Your SDSS GAIN Operations analyst will work with you to determine what changes (if any) this phase-in modification will require.

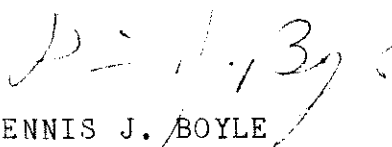
Our initial analysis indicates that for most Counties the changes in statutory reductions provisions will not have a major impact on the actual number of participants being served, and thus should not have a significant impact on County expenditures. As such, these changes should not require the submittal of GAIN Plan amendments at this time. However, Counties who have received approval for statutory reductions must immediately change their procedures to match the statute to ensure that only appropriate categories of recipients are excluded.

The new transferability policy (see All County Welfare Directors letter dated July 27, 1988, attached) allows more flexibility to shift GAIN funds between cost pools and funding sources. This policy provides Counties additional flexibility in living within their allocations. Your County should closely monitor actual expenditures and keep your SDSS GAIN Operations analyst informed of any necessary adjustments.

In order for the Department to assess the program's status and provide information to the Legislature and other interested parties, we request that all Counties complete the attached questionnaire. This questionnaire is designed to inform us of your County phase-in plan. Please complete this form and return it to us by October 1, 1988.

If you determine that these changes and reductions will have a minor impact on your County's operation, no adjustments to your County plan, budget assumptions or allocation level need be made at this time. Additional details should be submitted as part of the November Update process. If your County believes that a major adjustment will need to be made to your program, we need to be advised as soon as possible. We will be working with your County to determine mutually agreeable solutions to any problems that may arise due to these changes.

We appreciate the cooperation that has been received from all Counties in our effort to implement these changes and funding reductions. If you have any questions, feel free to contact your SDSS GAIN Operations analyst at (916) 324-6962.


DENNIS J. BOYLE
Deputy Director

Attachment(s)

cc: CWDA

COUNTY NAME _____

CONTACT PERSON: _____

1. PLANNED PHASE-IN

___A) 1 Year ___B) 2 Year ___C) 3 Year ___D) Fully phased-in

2. DOES YOUR COUNTY PLAN TO IMPLEMENT STATUTORY REDUCTIONS ?

__YES __NO (if YES, please complete 3)

3. CHECK THE LEVELS OF REDUCTIONS TO BE TAKEN

A) INDIVIDUALS NOT PARTICIPATING (Counties under Phase-in)
(See Welfare & Institutions Code 11320.21 (d)(2))

- ___level a (AFDC-U applicants)
- ___level b (AFDC-FG applicants)
- ___level c (AFDC-U/FG volunteers except teen parents)
- ___level d1 (AFDC-U recipients, less than 1 year)
- ___level d2 (AFDC-U recipients, less than 2 years)
- ___level d3 (AFDC-FG recipients, less than 1 year)
- ___level d4 (AFDC-FG recipients, less than 2 years)
- ___level d5 (Volunteer teen parents)
- ___level d6 (All remaining AFDC recipients, with recipients
on aid longest being the last to be excluded)

B) INDIVIDUALS NOT PARTICIPATING (County fully phased-in)
(See Welfare & Institutions Code 11320.21 (d)(3))

- ___level a (AFDC-U applicants)
- ___level b (AFDC-FG applicants)
- ___level c (AFDC-U/FG volunteers except teen parents)
- ___level d (exempt recipients who lose their exempt status)
- ___level e (deferred recipients who lose their deferral
status)

C. INDIVIDUALS PARTICIPATING (regardless of phase-in status)
(See Welfare & Institutions Code 11320.21 (d) (4))

- ___level a (all volunteers except teen parents)
- ___level b (AFDC-U recipients on aid for less than 1 year)
- ___level c (AFDC-U recipients on aid for less than 2 years)
- ___level d (AFDC-FG recipients on aid for less than 1 year)
- ___level e (AFDC-FG recipients on aid for less than 2 years)
- ___level f (volunteer teen parents)
- ___level g (All remaining AFDC recipients, with recipients
who have been on aid the longest being the last
to be excluded)

4. PHASE-IN/SERVICE PLAN for FY 1988-89

Indicate all groups targeted for service in 1988-89

___NO SPECIAL GROUPS ARE TARGETED (all groups are being phased-in)

___ALL GROUPS EXCEPT APPLICANTS ARE BEING PHASED IN
(if neither of the above [NO SPECIAL GROUPS
or ALL GROUPS] is checked, complete below)

TARGETED GROUPS

___AFDC-U APPLICANTS

___AFDC-FG APPLICANTS

___ALL VOLUNTEERS
(except teen parents)

___VOLUNTEER TEEN PARENTS

___AFDC-U (less than 1 yr.)

___AFDC-U (less than 2 yr)

___AFDC-FG (less than 1 yr)

___AFDC-FG (less than 2 yr)

___OTHER (ie; geographic, long-term recipients,etc.)SPECIFY:

5. TO BE COMPLETED BY THE FOLLOWING COUNTIES ONLY:

Kern, Placer, Riverside, San Diego, San Mateo, Santa Barbara,
Santa Clara, Stanislaus, Ventura, Yuba, and Los Angeles.

List additional administrative actions/efficiencies planned (if any) for operation in order to stay within revised funding levels. (Use additional pages as needed.)

Authorized County Signature

DATE :

Assembly Bill No. 1819

CHAPTER 314

An act to amend Section 11320.2 of, and to add Section 11320.21 to, the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1988. Filed with
Secretary of State July 8, 1988.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1819, Bates. Public social services: GAIN.

Existing law provides for the Aid to Families with Dependent Children (AFDC) program, pursuant to which qualified families are provided with cash assistance. The AFDC program is administered and partially funded by the counties.

Existing law provides, through the Greater Avenues for Independence Act of 1985 (GAIN) for an employment and training services program for AFDC recipients, which is administered by each county welfare department, in a manner consistent with regulations adopted by the State Department of Social Services and pursuant to a plan which reflects the full employment goal of the plan, an assessment of the county's current and projected unsubsidized employment needs, and other factors.

Under existing law, counties are required to submit their plan to the State Department of Social Services within a specified period of time, but a county may phase in the participation in its program for all qualified persons over a period of up to 2 years from the date upon which the program commences to operate in the county.

This bill would extend that maximum authorized phase-in period to 3 years.

Under existing law, counties are required to continually monitor their GAIN program expenditures throughout the fiscal year, and if a county determines that its anticipated expenditures will exceed that year's allocation due to an unexpected event, the county shall submit a reduction plan to the State Department of Social Services. Existing law specifies the procedures for the implementation of the reductions.

This bill would impose a state-mandated local program by revising the procedures which counties must follow in their reduction implementation plans.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement to local agencies and school districts is provided in the bill for costs mandated by the

state pursuant to the bill because reimbursement is provided in the annual Budget Act.

The bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 11320.2 of the Welfare and Institutions Code is amended to read:

11320.2. (a) County welfare departments shall administer this chapter, in a manner consistent with the provisions of this chapter and regulations adopted by the department in order to implement this chapter.

(b) Each county welfare department, with the cooperation of community college districts, county offices of education, and local private industry councils established under Chapter 4 (commencing with Section 15030) of Division 8 of the Unemployment Insurance Code, shall design a package of services to be provided to participants receiving services under this article, that reflect available resources and local job market needs. A joint plan may be submitted by two or more consenting counties.

Each county plan shall include a participant and labor market needs assessment, to be revised annually, which shall specify all of the following:

(1) The full employment goal of the plan, which shall be the provision of unsubsidized employment for all county registrants subject to this article.

(2) An assessment of the county's current and projected unsubsidized employment needs.

(3) An inventory of services, including those specified in subdivision (c) of Section 11320, available to county residents.

(4) The amount and kind of services required to meet the full employment goal for all registrants.

(5) The amount and kind of services that will be used in the plan year.

(6) An assessment of what services are currently unavailable and needed, including child care services, to meet the full employment goal and a plan for developing the availability of these services within a reasonable period of time, including a proposed program budget.

(c) The county welfare department shall submit to the department a program budget proposal in conjunction with the county plan, as specified in this section. The budget proposal shall specify the costs associated with providing the range of services included in the plan in the most cost-effective manner. The budget proposal shall identify the amount of funds that the county expects to spend for each component and shall provide supporting detail regarding the caseloads anticipated in each component and the amount that will be spent for (1) county employees, by classification,

(2) administrative support and overhead, and (3) contracted services and support. Prior to final approval of the county's plan, as specified in subdivision (f), the department shall notify each county of the amount of its allocation of funds to carry out the plan and the assumptions used to develop that allocation. If the allocation is less than the amount of funds that the county proposed in the program budget, the department shall notify the county that the proposed program budget exceeds the funds available. The department shall specify how the costs proposed by the county exceed the costs used to develop the county's allocation. The county may provide any additional documentation to justify the higher funding level. If, after reviewing the additional information, the department finds that the proposed program costs are not reasonable or cost-effective, the county shall submit the necessary revisions to its plan and program budget to keep program expenditures within the amount of its allocation.

In subsequent years, the county welfare department shall submit its program budget proposal for this article at the same time as the county submits its administrative cost control plan for the Aid to Families with Dependent Children, Medi-Cal, and Food Stamp programs. If services are not available in the county, the county plan may include provisions for the purchase of services from other counties.

The plan shall be approved by the board of supervisors of each county, after a public hearing is held in accordance with existing county public hearing procedures that provide adequate notice and an opportunity for affected groups and individuals to present their views and suggestions. In approving the plan, the board shall consider the views presented by affected groups during, and as part of the record of, the public hearing.

Prior to implementation, each plan must receive approval by the department. In determining whether a plan should be approved, the department shall consider the projected long-range cost-effectiveness of the plan, in addition to the appropriateness of the services proposed to be delivered under the plan, given the local labor market, maximum utilization of existing and generic services, and administrative ease.

No plan shall be approved by the department that does not provide an adequate range of services as described in Section 11320.3. With respect to large counties, as defined by the department for cost control purposes, "an adequate range of services" means that the counties shall provide all of the services outlined in Section 11320.3.

If two or more counties submit a joint plan, and the joint plan serves a participant caseload equal to or greater than a large county, the plan shall provide for all of the services outlined in Section 11320.3. If the services listed in Section 11320.3 are not provided for in the county plan, the county shall submit a justification as to why the services are not necessary. No plan shall be approved which

requires job search and work experience of participants to the exclusion of a range of services and which does not specify the range of services, both existing and proposed to be offered participants, in accordance with this section.

No funds appropriated for purposes of this article shall be used to fund education or training services in any county plan if these services could reasonably be provided by local educational agencies from Section A or Section B of the State School Fund which are not otherwise committed. No local educational agency shall be authorized to receive funds appropriated for purposes of this article unless it has demonstrated that it has fully committed all the funds from Section A or Section B of the State School Fund available to it, as certified by the district to the Chancellor of California Community Colleges, or the Superintendent of Public Instruction. The Chancellor of the California Community Colleges and the Superintendent of Public Instruction, as appropriate, shall certify this information to the Director of Finance.

(d) In order to measure the effectiveness of county plans under this article, performance standards for this article shall be consistent with those developed for service delivery areas pursuant to Division 8 (commencing with Section 15000) of the Unemployment Insurance Code. The Health and Welfare Agency shall insure that these standards include, but are not limited to all of the following goals:

(1) The training program participants for unsubsidized employment.

(2) Reducing welfare costs by increasing earnings of program participants in unsubsidized employment.

(3) Placement in unsubsidized employment resulting from all program components.

(e) (1) A county plan may also provide that the program provided for in this article shall apply to recipients of aid under Part 5 (commencing with Section 17000), except that no funds appropriated for purposes of this article shall be utilized for purposes of applying this article to these individuals. A county plan may also provide that the program provided for in this article shall apply to refugees receiving Refugee Cash Assistance or assistance under Article 1 (commencing with Section 13200) of Chapter 5.2. The county shall maintain separate accounting records of expenditures related to applicants for, and recipients of, aid under this chapter, and for the individuals to whom the program applies pursuant to this subdivision. If a county elects to apply the program provided for in this article to refugees receiving Refugee Cash Assistance or assistance under Article 1 (commencing with Section 13200) of Chapter 5.2 or to refugee recipients of aid under Part 5 (commencing with Section 17000), costs of applying the program shall be funded from the county's federal social services and targeted assistance allocation as provided for under Chapter 5.5 (commencing

with Section 13275).

(2) If, pursuant to paragraph (1), a county elects to apply the program provided for in this article to refugees or to recipients of aid under Part 5 (commencing with Section 17000), these individuals shall have the same rights, duties, and responsibilities that a participant has who is an applicant for, or a recipient of, aid under this chapter. Any participation by general assistance recipients shall not constitute any actual or implied responsibility for, or assumption of, costs of general assistance by the state.

(f) Each county shall submit its plan to the department within two years from the effective date of this article, as added during the 1985-86 Regular Session. The department shall approve a county plan within a reasonable period of time after submission of the county plan. Notwithstanding subdivision (f), a county may phase in the participation in its program for all qualified persons over a period of up to three years from the date upon which the program commences to operate in the county. A county may incorporate into its plan any existing employment or training program for applicants for, or recipients of, aid under this chapter which is operating in the county to the extent that the program is consistent with this article.

(g) This program shall be fully operational on a statewide basis within three years after the effective date of this article, as added during the 1985-86 Regular Session, by which time the department shall approve all county plans.

(h) The department shall evaluate the program and shall collect data on program cost, caseload movement, and program outcomes, including data on all of the following:

(1) The numbers of voluntary and mandatory participants in each program component.

(2) The amount of time that each participant remains in each component and the types of services, including supportive services, each participant receives.

(3) The number of recipients in each component that move to each of the other components.

(4) The number of participants sanctioned as well as the amount and duration of the sanction, the reason for the sanction, and the amount of time the participant was in the program prior to the sanction.

(5) The number of participants who go off aid, and to the extent possible, the reason they have gone off aid.

(6) The number of applicants who reapplied for and received aid after having gone off aid during the time they were participating in the program.

(7) The starting salary of employed participants.

(8) Participants job retention rates.

(9) The appropriateness of the categorization of participants.

(10) The appropriateness of assessments and employment plans.

(11) The appropriateness of preemployment preparation

assignments, including a periodic review of the appropriateness of these assignments.

(12) The effectiveness of training components based upon the number of individuals placed in employment.

(13) The timeliness of preemployment preparation assignment reviews.

(14) The appropriateness of sanctions applied under this article.

The department may use standard statistical sampling methods to conduct the evaluation. The department shall maintain this data for the state and for each county. The department may contract with a qualified organization for the evaluation required by this section. The department shall submit a plan for implementing this evaluation to the Joint Legislative Budget Committee. To the extent possible, the data collection system for this evaluation shall be designed to collect data in the least expensive and least time-consuming manner possible.

Utilizing the data compiled pursuant to this subdivision, the department shall, commencing one year after the effective date of this article, as added during the 1985-86 Regular Session, annually report, by January 10, to the Legislature and the Governor on the effectiveness of the program provided for in this article. The Legislative Analyst shall submit a review of this report to the Legislature by April 15 of each year.

SEC. 2. Section 11320.21 is added to the Welfare and Institutions Code, to read:

11320.21. (a) Counties shall continually monitor their program expenditures throughout the fiscal year. If a county determines that its anticipated expenditures will exceed the amount of that year's allocations as a result of an unexpected event, including caseload increases, court cases, or significant justifiable increases in component costs, the county shall immediately notify the department and submit a reduction plan, developed in accordance with subdivision (d), to the department.

(b) The department shall review and respond to a county's proposed reduction plan within 30 days of receipt of the plan. The department may provide additional funds for the existing appropriation to forestall the need for county program reductions. If the department does not respond within 30 days, the plan shall be deemed to be approved. If the department disapproves the reduction plan, the county shall continue to provide services as specified in the approved plan. The department shall submit within 30 days of the disapproval of a reduction plan, a report to the Joint Legislative Budget Committee setting forth the reason for the department's disapproval.

(c) A county's approved reduction plan shall remain in effect for no longer than the duration of the fiscal year in which the plan is approved. At the beginning of the following fiscal year, the county shall provide services pursuant to its approved program plan.

(d) (1) Each county for which reductions are necessitated by this section shall develop a reduction plan in accordance with this subdivision. Reductions shall be proposed only to the extent necessary to bring anticipated expenditures within the amounts allocated to the county for the fiscal year. If reductions are necessary, it is the intent of the Legislature to allow persons who are already participating in components of the program established pursuant to this article to continue their participation to the extent possible.

(2) During the initial phase-in period, counties may serve applicants and recipients. However, if a county determines that it must implement reductions during its phase-in period, it shall halt its program intake in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Family Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of subparagraph (4). For purposes of this section, "volunteer registrants" means recipients who voluntarily register under this article although exempt from registration pursuant to Section 11310.

(D) Recipients in accordance with the priorities specified in subparagraphs (A) to (G), inclusive, of paragraph (4).

No phase-in plan shall be approved which is likely to result in the subsequent removal of a disproportionate number of active participants from the program if reductions are implemented pursuant to paragraphs (3) and (4).

(3) A county that has fully implemented its program shall first exclude those individuals who are not actively participating in the program established pursuant to this chapter. The county shall exclude those individuals in the following order:

(A) Applicants for Aid to Families with Dependent Children-Unemployed Parent Program.

(B) Applicants for Aid to Families with Dependent Children-Families Group Program.

(C) Volunteer registrants, excluding teenage parents specified in subparagraph (F) of subparagraph (4).

(D) Recipients whose program status changes from exempt to mandatory.

(E) Recipients who lose their deferral status.

(4) If the reductions in paragraph (2) or (3) are insufficient to bring anticipated expenditures within the amounts allocated to the county, the county shall temporarily exclude from program participation those recipients who are participating in a program component under a basic or amended contract, in the following order:

(A) Temporary exclusion of all volunteers excluding teenage parents.

(B) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid for less than one year.

(C) Temporary exclusion of all Aid to Families with Dependent Children-Unemployed Parent recipients who have been on aid continuously for less than two years.

(D) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid for less than one year.

(E) Temporary exclusion of all Aid to Families with Dependent Children-Family Group recipients who have been on aid continuously for less than two years.

(F) Temporary exclusion of volunteer teenage parent registrants.

(G) Temporary exclusion of all remaining Aid to Families with Dependent Children recipients, based on the time on aid, with recipients who have been on aid the longest being the last to be excluded.

(5) Persons identified as excluded shall be excluded from participation throughout the fiscal year without regard to changes in exclusionary status. However, these persons may be served if funds become available within the fiscal year and in accordance with paragraph (6).

(6) With the exception of applicants and volunteer registrants, all excluded persons who express a desire to participate in the program established under this chapter shall be served, except when their participation would interrupt services to individuals already participating in this program. However, the procedures contained in subdivisions (a) and (b) of Section 11320.6 shall apply when persons who would otherwise be mandatory registrants subsequently fail or refuse to participate without good cause. The procedures contained in subdivision (c) of Section 11320.6 shall apply to persons who would otherwise be voluntary registrants and who subsequently fail or refuse to participate without good cause.

SEC. 3. No reimbursement to local agencies and school districts is provided in this act pursuant to Section 6 of Article XIII B of the California Constitution for costs mandated by the state pursuant to this act because reimbursement is provided in the annual Budget Act.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide timely revision of the procedures for implementation of the Greater Avenues for Independence Act of 1985 program, it is necessary that this act take effect immediately.

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



July 27, 1988

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: GAIN TRANSFERABILITY OF FUNDS

The purpose of this letter is to transmit the revised transferability of funds policy for the Greater Avenues for Independence (GAIN) Program.

The major change in this policy allows Counties to move allocated funds between Title IV-C/General Fund components and from Title IV-C/General Fund components to Title IV-A components. In summary, the revised policy allows the following transfers without prior State Department of Social Services (SDSS) approval:

- Within a Component
 - o among program delivery areas, except County welfare department (CWD) staff;
 - o from program delivery areas to supportive services; and,
 - o from transportation and ancillary to child care.
- Between Components
 - o between Title IV-A components;
 - o between Title IV-C/General Fund components; and,
 - o from Title IV-C/General Fund components to Title IV-A components.

Transfers of funds from supportive services to program delivery areas, from child care to transportation or ancillary, or from Title IV-A components to Title IV-C/General Fund components cannot be made without prior SDSS approval.

A copy of the revised transferability policy is attached. The revised policy is effective immediately and supercedes the policy outlined in All-County Information Notice I-107-86, dated November 10, 1986.

B. Funds Between Components

- o Consistent with "A" above, full transferability is allowed between Title IVA eligible components, between Title IVC/General Fund components and from Title IVC to Title IVA components.

Such transfers would not obligate more State General Funds than originally budgeted by DSS.

- o Transfer of Title IVA funds into a Title IVC component is not allowed without prior DSS approval.

This restriction is necessary to ensure that Counties do not obligate more General Funds than the DSS budget authorizes.

C. Component Funding Eligibility

- GAIN Program components are eligible and/or are funded according to the following:

<u>Component</u>	<u>Eligibility</u> ^{1/}
Orientation/Testing	Title IV C, General Fund
Adult Basic Education	Title IV C, General Fund
Job Club/Job Search	Title IV A
Assessment	Title IV C, General Fund
Short/Long Term PREP	Title IV A
On the Job Training	Title IV C, General Fund
Vocational Training	Title IV C, General Fund
Grant Diversion-funded activities (OJT, Supported Work, Transitional Employment)	Title IV A
Other Training and Education	Title IV C, General Fund
90 Day Job Search	Title IV A
90 Day Transitional Child Care	Title IV C, General Fund

^{1/} Eligibility is based on Federal Regulations.

INSTRUCTIONS - REQUEST FOR TRANSFER OF FUNDS

COUNTY: Enter County name.

DATE: Enter the date of request.

AMOUNT TO BE TRANSFERRED: Enter the amount of funds requested to be transferred.

COMPONENT(S)/COST POOL(S) TRANSFERRED FROM: Enter the name(s) of the component(s) and cost pool(s) from which funds will be transferred. The cost pools are:

- CWD Staff
- CWD Overhead
- Program Contracts
- Child Care
- Transportation
- Ancillary
- Staff Development

COMPONENT(S)/COST POOL(S) TRANSFERRED TO: Enter the name(s) of the component(s) and cost pool(s) to which the funds will be transferred.

EFFECTIVE DATE OF TRANSFER: Enter the date on which the transfer is to be effective. In general, requests for retroactive transfer will not be allowed; however, with justification such requests may be considered.

JUSTIFICATION FOR TRANSFER: Enter a narrative statement justifying the request for transfer. Information that should be provided includes, but is not limited to:

- current expenditure data and prior year(s) expenditure patterns for the affected components;

- projected expenditures for the remainder of the current fiscal year for the affected components;

- the number of staff, if any, affected by the transfer, including proposed new hires and transfers of positions; and,

- if funds are being transferred to/from more than one component/cost pool, a breakdown of the amount to/from each component/cost pools.

IMPACT IF TRANSFER NOT APPROVED: Enter a narrative statement describing the impact to Program services if the requested transfer is not approved.

NAME/TITLE OF PERSON AUTHORIZING REQUEST: Enter the name and title of the person authorizing the request for transfer of

REQUEST FOR TRANSFER OF FUNDS

COUNTY:

DATE:

AMOUNT TO BE TRANSFERRED: \$

COMPONENT(S) TRANSFERRED FROM:

COST POOL(S):

COMPONENT(S) TRANSFERRED TO:

COST POOL(S):

EFFECTIVE DATE OF TRANSFER:

JUSTIFICATION FOR TRANSFER:

IMPACT IF TRANSFER NOT APPROVED:

NAME/TITLE OF PERSON AUTHORIZING REQUEST:

CONTACT PERSON:

TELEPHONE:

funds.

CONTACT PERSON/TELEPHONE: Enter the name and telephone number of the person to be contacted regarding the request.

Revised 6/88

GAIN PROGRAM

Transferability of Funds Policy

The GAIN Program is funded by a variety of resources, both Federal and State. In order to ensure that its State General Fund budget authority is not exceeded, and to maximize Federal financial participation, the State Department of Social Services (DSS) limits Counties' ability to move allocated funds among program components without prior DSS approval. When Counties propose to redistribute child care allocations current law also requires prior DSS approval. The DSS Transferability of Funds Policy is summarized as follows:

A. Funds Within A Component

- o Allowed among program delivery areas, except CWD staff; e.g., CWD overhead, direct client services (excluding supportive services).

So long as the allocated funds remain within the designated component, there would be no restriction on Counties transferring funding among these items. Such transfers would have no bearing on the State's ability to claim Federal financial participation.

- o Allowed to move program delivery funds to cover supportive services.
Allowed to move transportation and ancillary funds to cover child care costs.

This is based on the importance of Counties having sufficient supportive services funding to operate the program, particularly child care.

- o Not allowed to move supportive services to cover program delivery costs without prior SDSS approval. Not allowed to move child care funds to cover other supportive services without prior SDSS approval.

As above, this is based on the importance of supportive services funding. In particular, Budget Act language (AB 224, Chapter 313, Statutes of 1988, Item 5180-151-001, Provision 10) prohibits the transfer of child care funding to other categories without the SDSS providing written notification to the Legislature.

Also attached is a form and instructions to be used when requesting transfers requiring prior SDSS approval.

If you have any questions regarding this letter, please contact your GAIN Operations Analyst.

A handwritten signature in black ink, appearing to read "D. J. Boyle", is positioned above the typed name.

DENNIS J. BOYLE
Deputy Director

Attachments

cc: All County GAIN Coordinators